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1 PROCEEDINGS 2 3 (Proceedings commenced in the courtroom at 3:00 4 p.m.) 5 6 THE COURT: Good afternoon, everyone. 7 (Counsel respond, "Good afternoon, your Honor.") 8 THE COURT: I guess it makes sense to have some 9 reintroductions, although I think I know most everyone. But 10 why don't we have some reintroductions and then we'll start 11 talking about what's going on. 12 Mr. Blumenfeld? MR. BLUMENFELD: Good afternoon, your Honor. 13 14 Jack Blumenfeld for the plaintiff along with Justin Daniels and Steve Bauer from the Proskauer firm in Boston. 15 16 THE COURT: All right. Thank you. 17 MR. BAUER: Good afternoon. 18 MR. DANIELS: Good afternoon. 19 MS. MATTERER: Good afternoon, your Honor. 20 Matterer from Morris James, and I have Frank Scherkenbach 21 from Fish & Richardson, Luann Simmons from O'Melveny & Myers, and Ruffin Cordell from Fish & Richardson, and 22 2.3 Richard Herrmann from Morris James. 2.4 THE COURT: Hi. How are you?

MR. HERRMANN: Good afternoon.

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MR. SCHERKENBACH: Good afternoon.

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MS. SIMMONS: Good afternoon.

MR. CORDELL: Good afternoon, your Honor.

THE COURT: All right. First of all, let me say that with all the moving parts I have in my life and have had this fall and with being down to one law clerk, I'm sure that we missed things like the re-examination certificate of the '078, so I'm sure that there are some flaws and mistakes in here that are obvious that you don't even dispute about what they are. On the other hand, we did make a herculean effort to address the issues and try to help basically MobileMedia decide which patents are going to be tried.

And I think that was basically -- I'm not sure I will do this again, but clearly that's what the exercise is for, to try to narrow the issues for trial and in this case the patents for trial.

So I wanted to start off with that. And I know that you've got just -- I mean, I was actually shocked at how few open matters you identified then. Many of them have been resolved. Some of them have not.

I didn't sign off on your stipulation that you filed. Clearly, it made sense about the final instructions, but with Vince's help, I have done a preliminary preview of the voir dire and the preliminary instructions that you need

to look at. And especially all the lawyers and the witnesses, you need to get back to us on amended attachments to the voir dire and to give us any more thoughts about that, and maybe we need to specifically get a date for us to get together again before the first day of trial in that regard.

The trial schedule, I've got -- unfortunately, I have a naturalization that I have to do on that first

Thursday of trial, and my son is actually going to be admitted to the Bar on the 12th. So there are two days of trial that are interrupted. And depending on what's happening with how many patents are going forward, there is some wiggle room, and we'll try to adjust, if need be.

So those are my preliminary statements. I don't know whether you each have preliminary statements before we get to any issues that actually need to be resolved at this time.

MR. BAUER: Your Honor, Steve Bauer.

We appreciate the herculean effort and we have promised that we would drop at least four patents, and we've now dropped at least four patents. So we have agreed, and it's in the pretrial order that five days from today, which would be Tuesday, we will give the other side -- and this is in the pretrial order --

THE COURT: Okay.

MR. BAUER: -- by agreement, five days from today, and that's five calendar days, so next Tuesday. We have a three-day holiday in between. So as quickly as we can, we will identify which of the remaining six patents will go to trial.

My guess right now is four or five. There's at least one patent I think that given -- we just got the claim construction.

THE COURT: I understand that there's no way.

And I have not gone to trial with five or six patents, so I think we need to really talk about how many patents, depending on how related they are, I'm going to let you go to trial with.

So what I'd like you to do when you make that identification to defendant, you need to prioritize, and then if there's a discussion about whether a jury can really grasp the technology, which I find incredibly difficult just because it's all about words and concepts and not about anything real to me, I'm sure a jury will find the same issues.

Again, I think we need to make sure we get together for a conference, unless you all can work this out, before the start of trial, well before the start of trial, so that we're all on the same page.

MR. BAUER: Okay. So in that regard, your

Honor, so we are, like I said, looking hard. I think it's unlikely that we would even prioritize six, but I just can't commit right now.

THE COURT: Sure.

MR. BAUER: I think we all understand that.

THE COURT: I understand that.

MR. BAUER: The other thing, looking at it quickly, we had, I think, three experts for the patents, but given some of these constructions, certainly some of these experts are going to drop out entirely, so the case will become simpler and we will identify that and explain why these patents are related. To the extent it's a common expert, I think that will help. But it does appear that at least one of the experts no longer may have a role here.

In terms of the open issues, counsel, both sides, we've spoken, and we'd like to report to your Honor that given our preliminary review and our preliminary discussions, most of those issues I think we're going to make progress on, and so what we would like to do, we've both spoken. With your permission, defer argument on those open issues, and if you're going to give us a later date, if there are going to be open issues, we can address it then.

But many of the issues related to prior art, we

think those are resolved. Several of the issues related to exhibits, and we've made, each side has said we won't raise those exhibits, certainly without prior notice. So there's a relevance objection.

THE COURT: Right.

MR. BAUER: For example, there were teardown, questions about Apple having torn down products. Our representation to them is that we won't use them in the opening and we won't use them with a witness unless we present it to you in advance, and that would be -- come out in the case, if they open the door.

THE COURT: Right.

MR. BAUER: So I think most of those issues we both feel confident we'll resolve.

The one issue that we did identify -- your Honor identified, the '078 re-exam.

THE COURT: Yes.

MR. BAUER: And we agreed to ask your Honor how you would like to handle it, but the proposal, our proposal would be that in this context of identifying what issues are left open, that we would provide a three-page summary of what that position is, and they could attach a three-page opposition to that summary, and your Honor can make the decision whether those claims are in or not.

Just, since you picked it up, you may have

1 remembered, claims were amended, but not substantively 2 different. We argued it during the summary judgment 3 hearing. THE COURT: All right. Well, and, 4 5 unfortunately, my permanent law clerk left. Vince came on. 6 This was his first assignment, if you can believe that. 7 It's more work than some of my law clerks do the entire year. So, yes. There was just a lot going on. 8 9 MR. BAUER: I am actually surprised that you 10 caught that in that 110-page decision, that that issue got 11 missed. THE COURT: Well, I caught it, we caught it, 12 13 Vince caught it, because of your open issues. And we said, 14 oh. 15 MR. BAUER: Okay. 16 THE COURT: So anyway... 17 If that works, that's a substantive MR. BAUER: 18 disagreement that we're going to have and it's a clear 19 substantive. We think that we should be able to slot in the 20 claims that were allowed in the re-exam. 21 And if you remember from the hearing, we said 22 there was no substantive change, it was just changing. 23 have their position, and we just thought it if we could

write three pages and summarize the position, and they can

do three pages and a joint letter and your Honor can decide

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1 if those claims are in or not, or we are prepared to argue 2 it today. 3 THE COURT: Well, I think at this point, I need a breathing space today. 4 5 MR. BAUER: All right. THE COURT: So probably having something in 6 7 writing would be fine. 8 MR. BAUER: Okay. 9 THE COURT: And I will wait to hear from the 10 defendant. 11 MR. BAUER: We did argue it, so we would attach the transcript from the last hearing. 12 THE COURT: All right. You don't even have to 13 14 I mean, I really do have it. attach it. 15 MR. BAUER: Okay. 16 THE COURT: So you can just identify the page. 17 MR. BAUER: I didn't mean the whole transcript, 18 but judge the pages. 19 THE COURT: I know. 20 MR. BAUER: Okay. But that's the only 21 substantive disagreement, I believe. They'll correct me, but I believe from our 22 2.3 discussion, that's the one substantive -- substantive 24 disagreement. The procedural issues, we have confidence 25 that we ought to be able to, if not resolve them, narrow

them a lot.

THE COURT: All right.

MR. BAUER: And I think that is probably it.

So we do have the procedure that -- the procedure was five days from today, we would identify the patents. I think this is on page 20 of the pretrial order. Five days from today, we identify the claims, and -- well, we identify the patents. Three days later, that would be by Friday, they would identify the defenses and prior art references that remain, so we'll see what's still in there. And then it's one day later, and because that is a weekend now, I guess -- we have not talked about it, but that should be a business day, unless you want to count Saturday.

But one day later, the parties will meet and confer to resolve disputes that remain open. I would propose that that be the following Monday. And one day later, the parties will inform the Court of anything that remains open, which would be a week from next Tuesday.

If you guys can get it back to us less than three days, you've suggested -- they suggested they might be able to do that three-day thing in less. If they can do it less than three, we'll be ready to move, so it would be even faster. But that's the thing that both sides agreed to last week.

THE COURT: All right. I'm just getting on my

computer to get my calendar.

So does that three-day, three-day, meet and confer, is that when your submissions of the letters are in connection with the '078 patent?

MR. BAUER: So that would be -- we would defer to your Honor. We could do it all at the same time, that Tuesday a week from Tuesday, and submit it then, or this issue, because it's identified, if you prefer, we can get that to you on -- get that to you this Monday.

I'm sure that we could both brief it and have it to you on Monday as a joint letter, Monday or -- well, Monday is a holiday. You are closed on Monday.

THE COURT: I am closed.

MR. BAUER: We could have it on to your Honor on that one issue. I would suggest if your Honor wanted a standalone letter brief on that one issue, I suggest that we would probably submit it to you on Tuesday, if they think it's okay, or anything after that, or if you prefer, it could be a week from Tuesday, everything at the same time.

THE COURT: Well, let me hear from defendant's counsel, but I suspect that that is an issue that we might want to think about, especially while it's still relatively fresh in our minds.

MR. BAUER: And I'm prepared to do that.

THE COURT: All right. Thank you so much, sir.

1 And Mr. Scherkenbach? 2 MR. SCHERKENBACH: Good afternoon, your Honor. 3 THE COURT: Good afternoon. MR. SCHERKENBACH: We, too, obviously very much 4 5 appreciate the order, no one more than me. I know a lot 6 more about this case than I did this morning. 7 So to take up the two, I guess, primary issues, first of all, what are we actually going to go to trial 8 9 on? I guess it was our hope, I won't say expectation, but 10 hope that we'd be dealing with more like three patents and 11 not more like four or five patents. 12 Just to -- for obvious reasons, I think, I 13 believe there are still something like 16 asserted claims left in the six patents that are left. But maybe even more 14 15 relevant than that is that they're not related to one 16 another technologically. At least from Apple's perspective, 17 we have a different expert witness for each of those six 18 That's a lot of witnesses. It's a lot of patents. 19 different technologies for a single jury to absorb. 20 So I'm sure they feel differently, and our 21 submissions, I suppose we'll comment on that, but we'd like 22 to see something more like three patents. 23 As to the timing of the exchange on this, which 24 ones they pick, we're fine living with what we spelled out

in the pretrial order. This is in Paragraph 64. I think

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Mr. Bauer stated it accurately. We could do it sooner if
the Court saw value in that. I don't think it --

THE COURT: Well, I mean, you're the ones who need to drill down and present something to me. So if you've agreed to something, that's fine with me.

MR. SCHERKENBACH: Okay.

THE COURT: But I do want to make sure -- I mean, if it's more helpful to you to have a discussion sooner rather than later, because trial isn't all that far away, then I'm happy to meet as soon as you're ready to submit things.

MR. SCHERKENBACH: Okay. Well, why don't we -- as a default, why don't we stick with this.

THE COURT: Sure.

MR. SCHERKENBACH: It may be that even if they take their full five days, that we can respond more quickly in three, and if we can, we'll do that.

I do think your Honor has been gracious enough to suggest the follow-up chat. I do think we probably ought to have that, both because of the -- the issue of which patents are going to be tried. I suspect there will be some difference of opinion on that, number one. And then on this '078 re-exam claims, 1 through 3, that's obviously a disagreement, so we probably ought to get something on calendar to talk about that.

So let me turn to that. That's the second, I guess, issue on the table here. We can certainly get you a letter on Tuesday. That's fine.

THE COURT: All right.

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MR. SCHERKENBACH: I think -- I was conferring with Ms. Simmons, who is really the expert on this. We pretty much know what they're going to say, they pretty much know what we're going to say. I think we can do simultaneous letters and settle that up.

THE COURT: Good.

MR. SCHERKENBACH: And set a time to talk.

As for the rest of the issues that were originally indicated in the papers to be other matters, disputed matters, I think it makes sense to wait. I do think we've conceptually worked out most of them, and depending on which patents and claims they choose, more of them will fall away, is my guess, and whatever is left, I think we could deal with, if we had a chance to get before your Honor before trial.

THE COURT: So if I understand your schedule with respect to the open -- right now you've agreed to exchange simultaneous letters on the '078 patent on Tuesday, the 13th.

With respect to the other open matters, including what patents, what defenses, I mean, what prior

art, et cetera, patents identified on Tuesday, the 13th, the defendants identifying prior art, et cetera, by Friday, the 16th. Parties meet and confer on the 19th? Is that basically -- I'm just trying to figure out when I can meet with you and still be helpful. Is that right?

MR. BAUER: That's right, your Honor.

THE COURT: Now, the week -- of course, Monday, the 19th, is Thanksgiving day week, and I'm in trial that Monday. I don't know whether we need to meet that week or whether it can wait until the following week, when I'm not apparently in trial, and could have time for you pretty much the Monday, Tuesday, Wednesday, whatever, and whether it can be in person as opposed to person depending on how many issues there are.

MR. BAUER: Your Honor, I will say Monday afternoon, the 26th, would be fine. If we could have that time scheduled and we can talk about whether it needs to be by phone or live after we see what the issues are.

MR. SCHERKENBACH: We can do that. I was, frankly, going to suggest that we just shave a day off. I know what we agreed to in the order, but if we could shave a day off of that, we could get this resolved the week of the 16th, on that Friday. I don't know what your calendar looks like, but on Friday, the 16th. I hate to lose that whole intervening week. Obviously, trial preparation is sort of,

1 you know, waiting around.

THE COURT: Well, I'm in trial on Monday, the 19th. I mean, Friday -- my problem is I'm in trial unless they settle on the courthouse steps, which they've been so hateful to each other, I can't imagine they will. But I'm in trial starting next Tuesday and it's supposed to go through the following Monday.

MR. SCHERKENBACH: I see.

THE COURT: So it makes it difficult, and I've got 4:30 proceedings most of those days.

Now, I am happy on Tuesday, the 20th, I have an obligation with my father on that Tuesday morning, and I teach Tuesday afternoon, my last class, but I do have time on that Tuesday, if you all have time.

MR. BAUER: Your Honor, I have a summary judgment hearing in Chicago on the 20th. If we could do it on the 21st in the morning, that would be okay. Again, if it's by telephone, that would be even better, given it's the Wednesday before Thanksgiving.

THE COURT: Yes. Given the fact that I'm cooking, it would be excellent, in the morning, by telephone.

So I don't know. Is the 21st too late? Is that helpful?

MR. SCHERKENBACH: No. It's fine for us. I

1 don't want to impose on the Court, especially with those 2 weighty duties hanging in the balance there. THE COURT: Well, so give me a time. 3 I mean, this will probably be the only thing on my schedule, so no 4 5 matter when it is --6 MR. BAUER: If we say 10:00 a.m.? 7 THE COURT: I don't know. Is that too early for you all out in California? 8 9 MR. SCHERKENBACH: 10 MS. SIMMONS: That's perfect for me, your Honor. 11 THE COURT: So 10:00 o'clock, unless -- I will I will call it a telephone conference, 12 leave it to you. 13 unless you tell me that it needs to be something other than that. Okay? 14 15 MR. BAUER: Okay. Thank you. 16 THE COURT: All right? 17 MR. SCHERKENBACH: Yes. That's acceptable, yes. 18 THE COURT: All right. 19 MR. BAUER: Okay. Mr. Blumenfeld had some other 20 procedural things. 21 THE COURT: Oh. 22 MR. BAUER: Just procedure, I think. 2.3 THE COURT: All right. So just let me make 24 So Wednesday, November 21st, 2012, at 10:00 o'clock, sure. 25 we're going to have a telephone conference. And I will let

1 plaintiff's counsel initiate the call, if he would. 2 MR. BAUER: Yes, your Honor. 3 THE COURT: All right. And obviously we'll try to issue our best thoughts on the '078 patent before then so 4 5 that you have that in hand. All right. 6 MR. BLUMENFELD: Your Honor, just a couple 7 little things. We put in the stipulation that you referred to I think that you hadn't signed --8 9 THE COURT: Yes. 10 MR. BLUMENFELD: -- asking for jury 11 instructions, voir dire, verdict sheets. We asked for the Obviously, we can work with the preliminary 12 13 instructions and the voir dire and get that done, I would think, very quickly. 14 15 Given everything we're doing together, I wonder 16 if it wouldn't make more sense to have more time rather than 17 less on the final jury instructions. 18 THE COURT: Oh, I think so. 19 MR. BLUMENFELD: And so I guess the question is, 20 on the final jury instructions and voir dire, when would you 21 like to receive them? And we'll obviously adhere to that 22 schedule.

THE COURT: Well, I never have them -- I don't think it makes sense to have them done the first day of trial because things change so much. So I think I would be

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fine if I got them by Wednesday, the 28th, or Thursday, the 29th of November, just so I have them in hand and can start reviewing them so I can get my version to you some time that first week. MR. BLUMENFELD: That's fine. THE COURT: All right. MR. BLUMENFELD: And the verdict sheet also, I kind of assume? THE COURT: MR. BLUMENFELD: That's great. We can do it the 28th. I'm sure that won't be a problem. Just looking at your preliminary jury instructions, there's nothing in here about the patent system, and I assume that's because you plan to use the video --THE COURT: I do. MR. BLUMENFELD: -- that has been used every trial? THE COURT: Yes. I can't stand to read that anymore, so, yes. MR. BLUMENFELD: Okay. Those are the only issues that I had, your Honor. THE COURT: Okay. Any of like issues from the defendant?

MR. SCHERKENBACH: I don't think so, your Honor.

1 THE COURT: All right.

MR. BAUER: And, your Honor, so in terms of the simultaneous letters, I will just -- simultaneous letters as opposed to a joint letter where we both set our own positions, because I'm just wondering, Mr. Scherkenbach says we each know each other's position, but I think it would be helpful to know their position to address it or give you a letter the next day, a one-page -- there's no such thing as a one-page letter. A two-page letter that would just respond.

Just when it's simultaneous, I don't know what they are going to say. So the alternative is that we exchange the letters in advance, merge them into a single letter where we both can say the other side says this, we disagree, or something like that.

THE COURT: Well, if you have some concerns about Apple's position, then it strikes me that it would be better for someone to go first, whether it's Apple or whether it's MobileMedia, on Tuesday, and have a response on Thursday so I still have it in time to do something with it.

MR. BAUER: My concern was both of us might want to respond to the other side, so if I go first, they respond to me, but you don't want three. So we will do simultaneous, that's fine, and we will just anticipate what

1 they are saying. 2 THE COURT: I'm happy to have you do two and 3 I just don't want you to multiply this. We've got enough paper in this case. 4 5 MR. BAUER: No, I understand. I understand. 6 THE COURT: So if you want to do simultaneous on 7 Tuesday, and then -- I'm not exactly sure why you would need three pages anyway. But three pages on Tuesday. 8 9 MR. BAUER: One page on Tuesday? 10 THE COURT: One page on Wednesday or Thursday. 11 I mean, I don't really care. Just don't give me a whole lot of stuff. 12 13 MR. BAUER: THE COURT: Yes. 14 15 MR. BAUER: It's just, if there's something 16 there we don't anticipate, it's just, I think, sometimes 17 easier to address it in advance than to have to write a 18 letter or we just submit a one-page letter. 19 THE COURT: Honestly, if you can agree to 20 that, that's fine. If you can't, then you each submit 21 something on Tuesday and a one-pager in a day or two after 22 that.

MR. BAUER: All right. Thank you.

THE COURT: All right. Is there anything else?

All right.

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This seems much too easy.

And with respect, just go easy on the motions for reargument because we've exhausted ourselves getting this out, and at least don't reargue until you know what is actually in play. Okay? Do me that favor. All right. Is there anything else that we should address yet today? MR. BAUER: Not from the plaintiff, your Honor. THE COURT: Anything, Mr. Scherkenbach? MR. SCHERKENBACH: Not for Apple, your Honor. THE COURT: All right. Thank you, counsel. Nice to see you all. (Hearing concluded at 3:27 p.m.)